

Investment Regulations

1 Purpose

- 1.1 The Foundation board issues these Investment Regulations based on article 6 of the statutes of finpension 3a Retirement Savings Foundation (hereinafter the "Foundation") and article 49a of the Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans (BVV 2) and, where applicable, article 5 of the Ordinance on the Tax Deductibility of Contributions to Recognised Forms of Pension (BVV 3). They define the objectives and principles as well as the implementation and monitoring of the investments.
- 1.2 Assets are invested in accordance with the applicable provisions of the Federal Act on Occupational Old Age, Survivors' and Invalidity Pension Provision (BVG) and BVV 2.

2 Investment objectives and principles

- 2.1 The primary focus of the investments is the financial interests of the account holder.
- 2.2 The Foundation determines investment strategies which, in accordance with articles 50 through 52 BVV 2, aim for investment security and an appropriate return, and ensure that risk is diversified and that the expected liquidity requirements are met.
- 2.3 The account holder selects one of the strategies offered by the Foundation, taking into account his/her risk capacity, and by his/her choice declares his/her willingness to take risks to the Foundation.
- 2.4 The investment strategies offered by the Foundation may be extended pursuant to the provisions of article 50(4) BVV 2. If the account holder opts for an investment strategy with extended investment ranges, increased requirements will apply to the account holder's risk tolerance.

3 Investment guidelines

- 3.1 The following are permitted as investments:
 - a) Cash;
 - b) The following receivables which are for a fixed monetary amount:
 - 1 postal cheques and bank balances,
 - 2 money market investments with a term of up to 12 months,
 - 3 medium-term bonds,
 - 4 bonds, including those with conversion or option rights,
 - 5 secured bonds,
 - 6 Swiss mortgage titles,
 - 7 promissory notes from Swiss public-law entities,
 - 8 surrender values of collective insurance agreements,
 - 9 in the case of investments based on a standard, broadly diversified and broadly used bond index: the receivables contained in the index;
 - c) Solely or jointly owned real estate, including buildings under leasehold and building land;
 - d) Participatory interests in companies, such as equities and participation certificates, similar securities such as profit participation certificates, and cooperative share certificates; participations in companies and similar securities are permitted if they are listed on a stock exchange or traded on another regulated market that is open to the public;
 - e) Alternative investments with no additional funding obligations, such as hedge funds, private equity, insurance-linked securities, commodities, infrastructure and other receivables not specified in b), but only

in the form of diversified collective investments, diversified certificates or diversified structured products.

- 3.2 For implementation of the investment strategy pursuant to article 3(3.1)(a) through (d) of these Regulations, collective investments within the scope of article 56 BVV 2 are permitted.
- 3.3 A maximum of ten per cent of the total assets from a single debtor may be invested in receivables pursuant to article 53(1)(b) BVV 2. This upper limit does not apply to any postal cheque and bank balances denominated in a fixed amount of money at a bank subject to the Swiss Financial Market Supervisory Authority (FINMA).
- 3.4 Investments in participations pursuant to article 53(1)(d) BVV 2 may not exceed 5% of total assets.
- 3.5 Investments in real estate pursuant to article 53(1)(c) may not exceed 5% of the total assets per property.
- 3.6 The following category restrictions also apply to account holders and at the Foundation level:
 - a) 50% for investments in equities
 - b) 30% for investments in real estate, with a maximum of one-third outside Switzerland
 - c) 15% for alternative investments
 - d) 30% for foreign currencies with no currency hedging
- 3.7 The category restrictions in accordance with article 3.5 may be exceeded if the account holder's risk tolerance permits this.
- 3.8 The use of derivative financial instruments is permitted within the scope of the respective risk tolerance subject to the provisions of article 56a BVV 2. The use of directly held derivative financial instruments is not permitted.
- 3.9 Securities lending is not permitted if doing so makes it impossible to exercise voting rights.

4 Selection and implementation of the investments

- 4.1 Up to five portfolios are maintained for each account holder, which can be seen from the current retirement savings. Each portfolio consists of an account in Swiss francs for cash and cash equivalents, and securities investments.
- 4.2 Account holders' account balances must be invested by the Foundation as savings deposits at a bank subject to FINMA. All income and changes in value are credited or debited to the account holder's respective account.
- 4.3 If retirement savings are invested in securities at the account holder's instructions, article 5 BVV 3 shall apply and articles 49 through 58 BVV 2 *mutatis mutandis*.
- 4.4 In the case of investment of the retirement savings in securities, a certain share of the retirement savings shall be left on the account to ensure there is sufficient liquidity for the debiting of fees. The Foundation is authorised to make sales of its own accord if there are insufficient liquid funds in the account to cover the fees.
- 4.5 The personal risk capacity is determined electronically or using a form provided by the Foundation. The result of the risk capacity assessment does not constitute a recommendation for the choice of an investment strategy. It is only a recommended risk level which the account holder should not exceed based on the information provided. The risk capacity may be reassessed by the account holder at any time.
- 4.6 It is the account holder's responsibility to re-establish their risk capacity in the event of his/her life situation changing (e.g. following divorce) and to re-assess their choice of investment strategy. At least every five years, the account holder will be requested, whether by web access or by the

app, to answer once again the questions to establish his/her risk capacity and to reaffirm the choice of strategy (risk tolerance).

- 4.7 With full knowledge of the risk capacity established for them, the account holder decides on the investment of retirement savings in securities and the deployment of an investment strategy with a higher or lower risk/return profile. His/her choice is an expression of their risk tolerance. If their choice of investment strategy exceeds his/her risk capacity, this will be pointed out to them.
- 4.8 The account holder must confirm any change of investment strategy in his/her portfolio with a text message code.
- 4.9 If a securities investment cannot be liquidated at the time of withdrawal (e.g. in the event of liquidation of an ETF or redemption stop of a fund), the securities investment forms part of the retirement savings benefit. If the new retirement savings institution does not enable this item to be carried forward, the illiquid portion of the retirement savings benefit will be transferred after the securities investment has been liquidated. No default interest can be claimed against the Foundation on the portion of the illiquid investments (any continuing market risk must be borne by the account holder). In the event of a cash payment or pension provision case, the Foundation is entitled to transfer these securities to the private custody account of the account holder or his/her surviving dependants at the relevant market value at the time of withdrawal as part of the retirement savings benefit.
- 4.10 The investment strategy may be changed free of charge at any time. The adjustment of the portfolio to the new strategy is usually initiated on the first banking day of the month (rebalancing). For the strategy adjustment to be taken into account on the first banking day of the month, the strategy must be implemented by the last day of the month. The Foundation assumes no liability for orders that are late or not carried out.
- 4.11 If strategy adjustments are made on the first banking day of the month, it cannot be predicted whether the changes will be implemented in the same month or not.
- 4.12 The Foundation is entitled to replace the securities of one fund provider employed within the scope of an investment strategy by other securities of another fund provider provided that there is no significant change either to costs and risk or to the allocation by asset classes, currencies, countries and further criteria.

5 Exercising the Foundation's shareholder rights

- 5.1 Voting rights are to be exercised as far as possible.
- 5.2 Voting rights are exercised by the asset managers, unless the Foundation board orders otherwise in individual cases. The exercise of voting rights may also be assigned to shareholder services of institutional investors.
- 5.3 If there are no special reasons, voting rights will be exercised as proposed by the board of directors.
- 5.4 In the event of extraordinary circumstances (in particular takeovers, mergers, opposition to the proposals of the board of directors), the Foundation board will decide how voting rights are to be exercised and issue the necessary instructions.

6 Accounting principles

- 6.1 Cash and cash equivalents, fixed-term deposits and accounts receivable will be recognised at par value; all other asset classes will be recognised at market value.
- 6.2 The assets and liabilities will be valued in accordance with

the accounting recommendations of Swiss GAAP FER 26.

7 Additional provisions

- 7.1 Changes to supervisory and statutory provisions which serve as the basis for these Regulations remain reserved. Such changes will apply to these Regulations once they enter into force.
- 7.2 The Foundation board has the right to amend these Regulations at any time. Amendments to the Regulations will apply once they enter into force and replace all previous provisions. The competent supervisory authorities must be notified of the Regulations and any amendments thereto.
- 7.3 Cases related to the investment of assets not governed by these Regulations will be handled in accordance with the instructions of the Foundation board in faithful application of and pursuant to the statutory requirements. German is the applicable language for interpreting the Regulations.
- 7.4 These investment Regulations enter into force upon the passing of the resolution by the Foundation board.

Schwyz, 11 March 2020

The Foundation board

Annex to the Investment Regulations

The Foundation board permits investment strategies within the following ranges:

| | Liquidity | Bonds | Equities | Real estate | Alternative investments | Foreign currencies |
|-----------|------------------|--------------|-----------------|--------------------|--------------------------------|---------------------------|
| Very low | 0-100% | 0-100% | 0-25% | 0-10% | | 0-10% |
| Low | 0-100% | 0-100% | 0-45% | 0-20% | 0-10% | 0-20% |
| Medium | 0-100% | 0-100% | 0-65% | 0-30% | 0-20% | 0-30% |
| High | 0-100% | 0-100% | 0-85% | 0-40% | 0-40% | 0-45% |
| Very high | 0-100% | 0-100% | 0-100% | 0-50% | 0-60% | 0-60% |

The investment options may be expanded if all of the following conditions are met:

- The account holder shows a corresponding risk tolerance and
- the assets are invested in a diversified manner (through collective investment vehicles or through a mandate to an asset manager).